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C O N F I D E N T I A L ROME 004406

SIPDIS

E.O. 12958: DECL: 11/16/2009

TAGS: [PREL](#) [PREF](#) [PHUM](#) [LI](#) [IT](#) [EUN](#)

SUBJECT: CODEL LANTOS MEETINGS IN ROME ON LIBYA

REF: (A) ROME 3911 (B) ROME 4059

Classified By: Pol Mincoun Tom Countryman for reasons 1.4 (b)(d).

1. (C) Summary. En route to Tripoli, Congressman Lantos met with Italian officials responsible for Libya, the Italo-Libyan Jewish community, and the Israeli Ambassador to Rome. Italians reaffirmed their commitment to abide by the EU code of conduct in selling equipment to Italy and expressed concern that Italian reparations issues not be forgotten as the U.S. and EU proceed with normalization and settlement of outstanding human rights/terrorism questions. Lantos advised the Italo-Libyan community to create a united organization of Libyan Jews from Italy, the U.S., Israel and Europe before proceeding with compensation negotiations and suggested it may be more realistic to discuss restoration of communal properties before tackling the subject of compensation for private properties seized after 1967. The success of the compensation negotiations, he stressed, would depend on progress in U.S.-Libyan and Israel-Libyan relations. End Summary.

2. (C) During a visit to Rome November 5-7, Congressman Tom Lantos attended a dinner hosted by Israel Ambassador Ehud Gol and had meetings with Ambassador-designate to tripoli Francesco Trupiano, MFA Deputy Secretary General Giulio Terzi, Berlusconi Diplomatic Advisor Paolo Dionisi, and two groups of the Italo-Libyan Jewish community. Lantos was accompanied by Chief of Staff Bob King and HIRC Staffer Alan Makovsky.

3. (C) During the dinner with the Israeli Ambassador, Gol expressed skepticism that the Italo-Libyan Jews would succeed in negotiating a compensation agreement with Qadhafi because they were amateur negotiators. He discussed the split in the Italo-Libyan community and questioned the motives of one leader, Raffaello Fellah, who had begun discussions with Qadhafi as far back as 1993. Gol did say that a member of the Israeli-Libyan Jewish community would meet November 9 in Amman with a member of the Libyan government to discuss a possible visit and/or compensation. He hinted that another meeting with representatives of the American-Libyan Jewish community would also take place but was vague on details.

4. (C) Ambassador-Designate Trupiano, who is now Diplomatic Advisor to Defense Minister Martino, shared with Lantos and Ambassador Sembler his perspective on Italian-Libyan relations. Qadhafi has failed at his major initiatives--pan Arabism, pan-Africanism and now pan-colonialism. Despite his apparent control, Qadhafi has faced historic opposition from religious fundamentalists and his nightmare is that domestic fundamentalists will connect with those in Algeria or Sudan. Trupiano believes that Qadhafi's latest opening to the West occurred because he realized that to survive he must improve the economic situation of his people. Trupiano noted that there had been some changes on the economic front--the Italian press had reported that the number of private companies in Libya had increased from 300 to 3,000 after Qadhafi lifted restrictions on commercial activity. Despite these positive economic steps, however, Trupiano said it was important to remember history. Libya had expelled both 20,000 Italians and the entire Jewish community; to date, it continues to refuse to recognize Israel. Congressman Lantos related his story of an exchange with Qadhafi who admitted, in private, that it was wrong for Libya to have prevented Israeli chess players from attending a championship in Tripoli. Trupiano respond that this was a good sign, but it indicated that Qadhafi was indeed still subject to internal pressure against change.

5. (C) Trupiano also noted that Qadhafi remains fixated on personal memories, be it stories of colonial-era atrocities or the Reagan-era attack which killed his daughter. Lantos agreed saying that it was the first thing that Qadhafi raised in their first meeting. Trupiano agreed also that the influence of Saif and the Prime Minister have played a major role in moving Qadhafi along to face current realities. But Trupiano urged caution, saying that the opening had occurred very quickly and we need to maintain pressure on Tripoli. First, there was the issue of the Bulgarian nurses--Qadhafi has boxed himself into an untenable position and appears to be looking for a way out. Lantos agreed, noting that Qadhafi had persisted in asserting the nurses' culpability despite assurances from Saif that his father understood they were innocent. Trupiano credited Saudi Arabia's long-standing

hostility and financing of opposition groups as motives for Qadhafi's alleged involvement in an assassination plot against CP Abdullah. He suggested, however, that it was now ironic that Libya and Saudi Arabia were on the same "pro-western" side.

16. (C) For Italy, Trupiano asserted, reparations remain the number one problem with Libya. There has been good economic cooperation, especially with ENI in the oil and gas sector, and growing cooperation to combat the waves of illegal immigration flowing to Italy from Libyan ports. However, Libya has renewed its demand that Italy pay for a new Tunisia-Egypt highway as compensation for atrocities committed during the colonial and fascist eras. Trupiano admitted there had been human rights violations but noted that Italy had already paid compensation and had invested in Libya since 1912. He noted the irony that Italy had united Libya in its battle against colonialism. Qadhafi continues to push the envelope on reparations issues, and it would be very difficult for Italy if the West settled all of its outstanding concerns on WMD, human rights and terrorism leaving Italian reparations as the only unresolved issue. This would leave Italy in an uncomfortable position. Trupiano noted that Deputy PM Gianfranco Fini, who may be taking the FM portfolio now that Frattini is moving to Brussels, is close to the Italians who were expelled from Libya. Also, the first delegation of Italians expelled from Libya is scheduled to return November 17 for a "touristic" visit. (Note: this initiative complements Qadhafi's outreach to the Italo-Libyan Jewish community.) Asked what steps were needed to encourage continued Libyan reform, Trupiano suggested pushing Tripoli to participate in the Barcelona Process, the NATO Euro-Med Dialogue and other fora that will increase Western influence on the Libyan government.

17. (C) During a lunch hosted by Ambassador Sembler, MFA Deputy Secretary-General Terzi and Berlusconi advisor Dionisi both stressed that Italy would abide by the EU code of conduct when reviewing Libya's request for equipment to improve immigrant/border controls. Italy will also continue to press to lift the death sentence of the Bulgarian nurses. Terzi said that Qadhafi had told Berlusconi that all exiled Italians could return and, in a small sign of change, Qadhafi changed the name of the October 7 anti-colonialism holiday from the Day of Vengeance to the Day of Friendship. Both Terzi and Dionisi credited the U.S. invasion of Iraq with pressuring Qadhafi; Dionisi noted that Qadhafi called Berlusconi repeatedly on the eve of the invasion to offer cooperation. On the succession question, Terzi said that Saif was the front-runner but that the Qadhafi's security chief and the MFA chief were still in the running. It was premature to make predictions. Both agreed that the overture to the Libyan Jews had PR value for Qadhafi but neither wanted to speculate on the likelihood that Libya would pay compensation.

18. (C) Lantos held separate meetings with two estranged groups in the Italo-Libyan Jewish community. One group, led by Raffaello Fellah, stressed the importance of holding Qadhafi to his pledge to compensate Jews for assets seized after 1967. Fellah met with Qadhafi in 1993 and claims an ongoing initiative, although he is not supported by the entire Italian community. The other group, led by Shalom Teschiuba, visited Tripoli in October at the invitation of Sa'adi Qadhafi (reftels). Lantos told both groups that they should first create a united front with Tripoli by forming one organization to represent expelled Libyan Jews from Italy, Israel, the U.S. and Europe. Next, they should consider focusing on restoration of communal assets such as synagogues and cemeteries as the historical record of Arab regimes compensating Jews for lost properties was not encouraging. If they pursued personal compensation, they should focus on those Libyan Jews who were needy (Note: the groups which met with Lantos were clearly wealthy.) Finally, he noted that the success of their initiative would depend on progress made in restoring U.S.-Libya and Israel-Libya ties. Representatives in the second group responded that they were forming a Steering Committee to include Libyan Jews worldwide; Rami Cahoun (sp?) would represent the Israeli community. The next meeting with the Libyans will take place this month, perhaps November 20-22, and contacts by phone are now ongoing.

19. (U) Congressman Lantos did not have an opportunity to clear this cable.

TRIPOLI MINIMIZE CONSIDERED

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NOTE: POSSIBLE MISSING CODEL CAPTION.

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2004ROME04406 - Classification: CONFIDENTIAL